**Figure 1.23** International comparison of Tier 1 capital<sup>a</sup> and tangible leverage ratios<sup>b</sup> of the five major banking groups in Israel<sup>c</sup> and banks abroad<sup>d,e</sup>, 2013 Leverage ratio 16 Higher leverage and Higher leverage ratio. 14 Tier 1 ratios lower Tier 1 ratio Banks in developina economies 12 Banks in 10 advanced economies 8 • The five major 6 banking groups 4 Lower leverage ratio, 2 Lower leverage and higher Tier 1 ratio Tier 1 ratios 0 15 5 10 20 25 0 Core Tier 1 capital ratio

SOURCE: International Monetary Fund Global Financial Stability Report (October 2013); Israel-based on published financial statements.

<sup>&</sup>lt;sup>a</sup> Data on the foreign banks' Core Tier 1 capital are calculated according to Basel III guidelines. Data on Core Tier 1 capital in Israel are calculated according to Basel II guidelines.

<sup>&</sup>lt;sup>b</sup> The tangible leverage ratio is calculated as the ratio of equity to total assets. Goodwill, intangible assets and deferred taxes are deducted from equity and from assets.

<sup>&</sup>lt;sup>c</sup> The figure for Israel includes the five major banking groups.

<sup>&</sup>lt;sup>d</sup> The sample includes 113 large banks, and each bank has systemic importance in the country in which it is located.

<sup>&</sup>lt;sup>e</sup> The countries included in the advanced economies category are: Australia, Hong Kong, Japan, South Korea, Singapore, Austria, Belgium, France, German, Italy, Ireland, Netherlands, Spain, Canada, the US, Denmark, Norway, Sweden, Switzerland and the UK. The countries included in the developing economoies category are: China, India, Russia, Turkey, Brazil, and Mexico.